

TIER 2 ANNUAL AND CANDIDATE PERSONAL FINANCIAL DISCLOSURE

FREQUENTLY ASKED QUESTIONS

WHO IS REQUIRED TO FILE A TIER 2 ANNUAL PERSONAL FINANCIAL DISCLOSURE FORM?

- Elected officials representing a voting district with a population over 5,000
- Members of the Louisiana Legislature
- Members of the Board of Elementary and Secondary Education
- Superintendent of the Recovery School District
- Members of the Ethics Adjudicatory Board
- Members of the Board of Ethics
- Administrator of the Ethics Administration

WHO IS REQUIRED TO FILE A TIER 2 CANDIDATE PERSONAL FINANCIAL DISCLOSURE FORM?

- Any person who becomes a candidate for an office for which the holder of the office is required to file a personal financial disclosure (pursuant to La. R.S. 42:1124.2).
- The candidate is required to file a personal financial disclosure statement **WITHIN THREE (3) BUSINESS DAYS** of the day the candidate files his notice of candidacy for the office.

I AM AN INCUMBENT RUNNING FOR RE-ELECTION. AM I REQUIRED TO FILE A CANDIDATE PERSONAL FINANCIAL DISCLOSURE STATEMENT IF I ALREADY FILED AN ANNUAL PERSONAL FINANCIAL DISCLOSURE STATEMENT FOR THE SAME CALENDAR YEAR?

- If an incumbent is running for reelection, and has already timely filed an annual personal financial disclosure statement for the same calendar year, the incumbent is not required to file a candidate personal financial disclosure statement. The annual disclosure statement will be accepted as meeting the requirements of the Campaign Finance Disclosure Act.
- However, if the incumbent files the annual disclosure statement subsequent to the deadline for filing the candidate personal financial disclosure statement, the incumbent is then required to file two separate disclosure statements, i.e., an annual and a candidate personal financial disclosure statement.

I AM A NEWLY ELECTED OFFICIAL AND WILL TAKE OFFICE IN JANUARY. AM I EXEMPT FROM FILING A PERSONAL FINANCIAL DISCLOSURE STATEMENT ON MAY 15 SINCE I DID NOT SERVE IN THE POSITION THE PREVIOUS YEAR?

- No. You are required to file a personal financial disclosure statement on May 15 because you hold the office on the deadline date.

HOW DO I DETERMINE IF I SHOULD FILE A TIER 2 OR TIER 3 PERSONAL FINANCIAL DISCLOSURE STATEMENT?

- Tier levels are determined by the population of the voting district using the most current census.
 - Tier 2 offices/positions are those where the voting district population is greater than 5,000.
 - Tier 3 offices/positions are those where the voting district population is less than 5,000.

HOW LONG AM I REQUIRED TO FILE A TIER 2 ANNUAL PERSONAL FINANCIAL DISCLOSURE STATEMENT?

- You are required to file a Tier 2 Annual Personal Financial Disclosure Statement for every year you serve in the office/position and also the year following the termination of your service.

WHAT IS THE DEADLINE FOR FILING MY TIER 2 ANNUAL PERSONAL FINANCIAL DISCLOSURE?

- The Tier 2 Annual Personal Financial Disclosure Statement is due on or before May 15 of each year and should contain information related to the previous calendar year.

WHAT IS THE DEADLINE FOR FILING MY TIER 2 CANDIDATE PERSONAL FINANCIAL DISCLOSURE?

- Pursuant to La. R.S. 18:1495.7, any person who becomes a candidate for an office for which the holder of the office is required to file a personal financial disclosure statement pursuant to La. R.S. 42:1124, shall file a personal financial disclosure statement **WITHIN THREE (3) BUSINESS DAYS** of the day the candidate files his *notice of candidacy*.

WHERE DO I FILE MY PERSONAL FINANCIAL DISCLOSURE STATEMENT?

- Annual and candidate personal financial disclosure statements are filed with the Board of Ethics. The acceptable filing methods are:
 - Hand-delivery: 617 North Third Street, LaSalle Building, Suite 1036, Baton Rouge, LA
 - Mail: Board of Ethics, Post Office Box 4368, Baton Rouge LA 70821
 - Fax: 225/381-7271

CAN I FILE MY PERSONAL FINANCIAL DISCLOSURE STATEMENT ELECTRONICALLY?

- No. The acceptable filings methods are:
 - Hand-delivery: 617 North Third Street, LaSalle Building, Suite 1036, Baton Rouge, LA
 - Mail: Board of Ethics, Post Office Box 4368, Baton Rouge LA 70821
 - Fax: 225/381-7271

IF I FILE MY PERSONAL FINANCIAL DISCLOSURE STATEMENT VIA FAX, AM I REQUIRED TO SEND THE ORIGINAL THROUGH REGULAR OR CERTIFIED MAIL?

- No. Filing your personal financial disclosure statement via fax is an acceptable method of filing. Therefore, you are not required to file mail a disclosure statement to the Ethics Administration.

HOW DO I KNOW IF MY PERSONAL FINANCIAL DISCLOSURE STATEMENT IS TIMELY FILED?

- The “date filed” is determined by the date in which the Board of Ethics receives the disclosure statement, e.g., the date the document is faxed; or the postmark from the U.S. Postal Service or other courier/delivery service.

MAY I FILE MY TIER 2 ANNUAL PERSONAL FINANCIAL DISCLOSURE STATEMENT PAST THE MAY 15 DEADLINE, IF I HAVE REQUESTED AN EXTENSION IN FILING MY FEDERAL TAXES?

- Yes. As a Tier 2 Annual Personal Financial Disclosure filer (and pursuant to 42:1124) you have the opportunity to file your personal financial disclosure statement past May 15 if you have requested an extension in filing your federal tax return. However, you must notify the Ethics Board on or before May 15.

- Subsequent to the timely notification, you are required to file your Tier 2 Annual Personal Financial Disclosure Statement within 30 days of filing your federal tax return.

MAY I FILE MY TIER 2 CANDIDATE PERSONAL FINANCIAL DISCLOSURE STATEMENT PAST THE DEADLINE DATE, IF I HAVE REQUESTED AN EXTENSION IN FILING MY FEDERAL TAXES?

- No. As a Tier 2 Candidate Personal Financial Disclosure filer (and pursuant to 18:1495.7) you do not have the opportunity to file your personal financial disclosure statement past the deadline date. Your statement must be filed **WITHIN THREE (3) BUSINESS DAYS** of the day your notice of candidacy is filed.

IS THERE A PENALTY FOR FAILING TO FILE; FAILING TO TIMELY FILE; OR FAILING TO ACCURATELY FILE MY TIER 2 ANNUAL PERSONAL FINANCIAL DISCLOSURE STATEMENT?

- Yes. If a Tier 2 Annual Personal Financial Disclosure Statement filer does not cure the Notice of Delinquency issued by the Board of Ethics (related to his failure to file; failure to timely file; or failure to accurately file) **WITHIN SEVEN (7) BUSINESS DAYS** of receipt of the Notice of Delinquency, a \$100 per day penalty, with a \$2,500 maximum, will be assessed against the filer.

IS THERE A PENALTY FOR FAILING TO FILE; FAILING TO TIMELY FILE; OR FAILING TO ACCURATELY FILE MY TIER 2 CANDIDATE PERSONAL FINANCIAL DISCLOSURE STATEMENT?

- Yes. If a Tier 2 Candidate Personal Financial Disclosure Statement filer does not cure the Notice of Delinquency issued by the Board of Ethics (related to his failure to file; failure to timely file; or failure to accurately file) **WITHIN SEVEN (7) BUSINESS DAYS** of receipt of the Notice of Delinquency, a \$100 per day penalty, with a \$2,500 maximum, will be assessed against the filer.

CAN I ATTACH REPORTS OR OTHER DOCUMENTS TO MY PERSONAL DISCLOSURE STATEMENT INSTEAD OF USING THE PERSONAL FINANCIAL DISCLOSURE FORMS?

- No. A filer is required to use the forms prescribed by the Board of Ethics. The forms are available at www.ethics.la.gov. Alternate forms or attachments will not be accepted.

MY SPOUSE ALSO SERVES IN A POSITION THAT REQUIRES HIM/HER TO FILE A PERSONAL FINANCIAL DISCLOSURE STATEMENT. DO WE HAVE TO FILE SEPARATE PERSONAL FINANCIAL DISCLOSURE STATEMENTS?

- Yes. You must each fill out a personal financial disclosure statement.

IF I WITHDRAW MY CANDIDACY FROM AN UPCOMING ELECTION, AM I STILL REQUIRED TO FILE A TIER 2 CANDIDATE PERSONAL FINANCIAL DISCLOSURE STATEMENT?

- If you withdraw as a candidate prior to the deadline for filing a Tier 2 Candidate Personal Financial Disclosure Statement, you are not required to file.
- If you withdraw as a candidate after the deadline for filing a Tier 2 Candidate Personal Financial Disclosure Statement, you are required to file.

DO I HAVE TO NOTARIZE MY TIER 2 ANNUAL PERSONAL FINANCIAL DISCLOSURE STATEMENT?

- Yes. Tier 2 Annual Personal Financial Disclosure Statements must be notarized.

DO I HAVE TO NOTARIZE MY TIER 2 CANDIDATE PERSONAL FINANCIAL DISCLOSURE STATEMENT?

- Yes. Tier 2 Candidate Personal Financial Disclosure Statements must be notarized.

I SERVE IN ANOTHER POSITION THAT REQUIRES ME TO FILE A PERSONAL FINANCIAL DISCLOSURE STATEMENT. DO I HAVE TO FILE MORE THAN ONE PERSONAL FINANCIAL DISCLOSURE STATEMENT?

- No. You are only required to file one personal financial disclosure statement annually. You are required to file at the highest tier level, e.g., if you serve as an elected official for a voting district with a population greater than 5,000 (Tier 2 level) and serve on a state board (Tier 2.1 level), you would file a Tier 2 Annual Personal Financial Disclosure Statement. Your board member position would be reported on Schedule K: Other Offices/Positions.

DO I HAVE TO REPORT OWNERSHIP OF PROPERTY THAT IS LOCATED OUTSIDE THE STATE OF LOUISIANA?

- Yes. You are required to disclose all immovable property (that has a value that exceeds two thousand dollars).

HOW DO I CALCULATE THE VALUE OF MY “IMMOVABLE PROPERTY?”

- Immovable property value is the value determined by the assessor for purposes of ad valorem taxes on the immovable property.

HOW MUCH INFORMATION IS NEEDED WHEN GIVING A “BRIEF DESCRIPTION” OF AN IMMOVABLE PROPERTY?

- The description should include enough information to adequately describe the immovable property, e.g., *one acre of commercial property located at 123 Main Street, Anytown, Louisiana, on which a retail store is located.*

WHAT IS A POLITICAL SUBDIVISION?

- A “political subdivision” is a parish, municipality, or any other unit of local government, including a school board or a special district authorized by law to perform governmental functions, e.g., hospital service districts, school boards (and schools under its authority), police juries, parish councils, boards of aldermen, cities, towns, villages, clerks of court, special districts, etc.

WHAT IS A GAMING INTEREST?

- A “gaming interest” [as defined in La. R.S. 18:1505.2L(3)(a)] (i)] is any person who holds a license or permit as a distributor of gaming devices, who holds a license or permit as a manufacturer of gaming devices, who holds a license or permit as a device service entity, and any person who owns a truck stop or a licensed pari-mutuel or off-track wagering facility which is a licensed device establishment, all pursuant to the Video Draw Poker Devices Control Law; (ii) Any person who holds a license to conduct gaming activities on a riverboat, who holds a license or permit as a distributor or supplier of gaming devices or gaming

equipment including slot machines, or who holds a license or permit as a manufacturer of gaming devices or gaming equipment including slot machines issued pursuant to the Louisiana Riverboat Economic Development and Gaming Control Act, and any person who owns a riverboat upon which gaming activities are licensed to be conducted; or (iii) Any person who holds a license or entered into a contract for the conduct of casino gaming operations, who holds a license or permit as a distributor of gaming devices or gaming equipment including slot machines, or who holds a license or permit as a manufacturer of gaming devices or gaming equipment including slot machines issued pursuant to the Louisiana Economic Development and Gaming Corporation Act, and any person who owns a casino where such gaming operations are licensed.

I SERVE AS A DIRECTOR OF A BUSINESS BUT MY OWNERSHIP INTEREST IS LESS THAN TEN PERCENT. DO I HAVE TO REPORT MY POSITION WITH THE BUSINESS ON SCHEDULE B: POSITIONS - BUSINESS?

- No. You are only required to disclose your position with a business if you or your spouse is a director, officer, owner, partner, member, or trustee of a business AND if you or your spouse (either individually or collectively) owns an interest in a business which exceeds ten percent.

DO I HAVE TO REPORT ALL TYPES OF INCOME?

- You are required to report all taxable income received (in excess of \$1,000) except from the following sources:
 - Income received pursuant to a life insurance policy
 - Child support and alimony payments contained in a court order.
 - Disability payments from any source.

DO I HAVE TO REPORT RETIREMENT INCOME?

- Yes. You are required to disclose all taxable income on Schedule E: Income. However, if your retirement income is from a *state or statewide retirement system*, it is reported on Schedule D: Income from the State, Political Subdivision or Gaming Interest.

HOW DO I REPORT OWNERSHIP OF SECURITIES HELD IN A “MANAGED ACCOUNT?”

- You are required to report the value of each investment security owned (a value exceeding \$5,000) within the managed account.
- This type of reporting is required because a “managed account” is not a discrete legal entity. It does not own the investment securities held in the managed account.

DO I HAVE TO DISCLOSE CREDIT CARD DEBT?

- You are required to disclose credit card debt if you or your spouse (either individually or collectively) owes a liability that exceeds ten thousand dollars. However, you are not required to disclose the credit card debt if the liability results from a consumer credit transaction as defined in R.S. 9:3516(13).

I ONLY HOLD A SMALL PERCENTAGE OF OWNERSHIP IN A BUSINESS. DO I HAVE TO REPORT THAT OWNERSHIP?

- If you or your spouse (either individually or collectively) owns an interest that exceeds ten percent, you are required to disclose the information on Schedule B: Positions – Business.

HOW MUCH INFORMATION IS NEEDED WHEN GIVING A “BUSINESS DESCRIPTION”?

- When providing a “business description”, you should provide enough information to adequately describe the business, e.g., *insurance agency that sells property and casualty insurance; or a media company that provides printing, consulting, and promotional services.*

SCHEDULE B: POSITIONS - BUSINESS ASKS FOR “NATURE OF ASSOCIATION”. HOW AM I TO RESPOND?

- The nature of association refers to your association with that business, e.g., director, officer, owner, partner, member, or trustee.

HOW DO I REPORT INCOME THAT I RECEIVE FROM A BUSINESS INTEREST? DO I REPORT GROSS INCOME?

- The amount of income reported for a business is the *gross income less costs of goods sold, and operating expenses.*

DO I HAVE TO REPORT INFORMATION RELATED TO MY SPOUSE IF WE HAVE A “SEPARATE PROPERTY” AGREEMENT?

- Yes. Information related to your spouse must be reported, even if you have a separate property agreement in place.

WHAT IS A “CASH EQUIVALENT”?

- A cash equivalent would include (but not limited to) a savings account, checking account, money market funds, and certificates of deposit.

DO I HAVE TO REPORT INCOME EARNED FROM DIVIDENDS ON INVESTMENTS AND/OR INTEREST ON CHECKING OR SAVINGS ACCOUNTS, OR OTHER CASH OR CASH EQUIVALENTS?

- If the income earned is subject to taxation, you are required to disclose the income.

I AM SELF-EMPLOYED. AM I REQUIRED TO DISCLOSE THAT INFORMATION?

- Yes. Self-employed meets the definition of business; therefore, you would report the business on Schedule B: Positions- Business.

HOW DO I REPORT INCOME THAT IS RECEIVED FROM MY "SELF-EMPLOYED" BUSINESS?

- Self-employed meets the definition of business; therefore, you would report the business on Schedule B: Positions- Business.

I HAVE AN OWNERSHIP INTEREST IN A BUSINESS. DO I REPORT GROSS OR NET INCOME?

- The income would be reported on Schedule F: Income from Business Interest

CAN I AMEND MY PERSONAL FINANCIAL DISCLOSURE STATEMENT?

- Yes. If you need to amend your personal financial disclosure statement, submit the cover sheet (checking the box "amendment") and attach all schedules that you are amending.

CAN I VIEW MY PERSONAL FINANCIAL DISCLOSURE STATEMENT ONLINE?

- Yes. All disclosure reports filed with the Disclosure Division are viewable on the Board of Ethics' website at www.ethics.la.gov under the Disclosure pull-down menu.

SOME OF THE SCHEDULES DO NOT PERTAIN TO MY SITUATION. AM I REQUIRED TO SUBMIT ALL SCHEDULES?

- No. You are only required to file the cover sheet and the schedules that apply to your personal financial situation.

ARE DISTRICT JUDGES REQUIRED TO FILE ANNUAL PERSONAL FINANCIAL DISCLOSURE STATEMENTS WITH THE BOARD OF ETHICS?

- No. District Judges are governed by the Code of Judicial Conduct. To determine any reporting requirements for District Judges, you may contact the Louisiana Supreme Court at 504/310-2300.

ARE JUSTICES OF THE PEACE REQUIRED TO FILE ANNUAL PERSONAL FINANCIAL DISCLOSURE STATEMENTS WITH THE BOARD OF ETHICS?

- No. Justices of the Peace are governed by the Code of Judicial Conduct. To determine any reporting requirements for Justices of the Peace, you may contact the Louisiana Supreme Court at 504/310-2300.